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## Federal Communications Commission 7 1994

WASHINGTON, D.C.

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In re Applications of	MM Docket No. 93-94
SCRIPPS HOWARD BROADCASTING COMPANY	File No. BRCT-910603KX
For Renewal of License of Station WMAR-TV, Baltimore, Maryland	
and )	
FOUR JACKS BROADCASTING, INC.	File No. BPCT-910903KE
For Construction Permit for a New Television Facility on Channel 2 at Baltimore, Maryland	

To: The Honorable Richard L. Sippel Administrative Law Judge

DIRECT WRITTEN CASE EXHIBITS
OF FOUR JACKS BROADCASTING, INC.
ON POST-HEARING ISSUE

#### FOUR JACKS BROADCASTING, INC.

Martin R. Leader Kathryn R. Schmeltzer Gregory L. Masters

Its Attorneys

Fisher Wayland Cooper Leader & Zaragoza L.L.P. 2001 Pennsylvania Avenue, N.W. Suite 400 Washington, D.C. 20006 (202) 659-3494

Dated: September 2, 1994

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#### BEFORE THE

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# DECLARATION OF DAVID D. SMITH

Date 6//3	()) -	Disposition		Presented by	Docket No.	Federal
194	Rejected	Received 9/13/94	Identified alle 194	Frank Ducker	93.54 Exhibit No. 2	Federal Communications Commission

#### DECLARATION OF DAVID D. SMITH

- I, David D. Smith, hereby declare as follows:
- 1. I am the President, a Director, and a 25% shareholder of Four Jacks Broadcasting, Inc. ("Four Jacks"). I am also the President, a Director, and a 25% shareholder of Sinclair Broadcast Group, Inc. ("Sinclair"), which through various subsidiaries owns and operates five UHF television stations, one of which is station WBFF(TV), Baltimore, Maryland.
- 2. From the very beginning of this proceeding, I have pledged that, in the event that Four Jacks' application for a new television station on Channel 2 in Baltimore, Maryland is granted, I will work at the Baltimore station on a full-time basis (a minimum of forty (40) hours per week) as General Manager. That has always been, and remains, my commitment.
- 3. However, at no time has it ever been my intention to resign my ownership and executive positions with Sinclair. In Four Jacks' FCC Form 301 application, in its subsequent Integration and Diversification Statement, and in its prior direct hearing testimony, Four Jacks' principals have proposed to divest, in a manner which will be in compliance with Section 73.3555 of the Commission's Rules and Regulations, all of their interests in and sever all connections with WBFF(TV), Channel 45, Baltimore, Maryland. That divestiture pledge has at all times been limited to WBFF(TV). I have never stated that I would divest my ownership and executive positions in Sinclair as a company, as opposed to merely divesting all my interest in and connection with WBFF(TV). Had I intended to divest my ownership and executive positions with Sinclair, I would have so stated,

since Sinclair owns other television stations, and thus Four Jacks' comparative posture would have been improved by my so pledging.

4. Moreover, on page 1 of my prior direct case testimony in this proceeding, I acknowledged that I am an officer, director and shareholder of Sinclair, and that Sinclair owns other media interests. After discussing my pledge to divest WBFF(TV) in Baltimore in the event Four Jacks' application is granted, I stated (on page 2) as follows:

Each of the other stations owned (or to be acquired) by SBG has a professional General Manager who is fully responsible for each station's day-to-day operations. Moreover, SBG has a full-time Comptroller who handles SBG's financial and business operations on a daily basis. Thus, notwithstanding SBG's other media interests, I am able and committed to carrying out my pledge to manage, on a full-time basis, a VHF television station in Baltimore, Maryland, the community where I was born and have lived virtually all my life.

Had I intended to give up my ownership and executive positions with Sinclair, I would not have made it a point, as shown above, of describing how I could accommodate my ownership and executive positions with Sinclair with my pledge to manage Four Jacks' proposed station full-time.

5. In my prior direct case testimony, I stated that "[i]n the event of a grant of Four Jacks' application, to fulfill my integration commitment, I will resign from my then-current employment and will limit or terminate any other activities that might interfere with my integration commitment." However inartfully worded, I intended to make clear that I would give up all responsibilities with respect to WBFF(TV), since I understood

that my brothers and I would be required to divest WBFF(TV) before Four Jacks' Channel 2 station could commence program tests. By stating that I would resign my "then-current employment," I did not intend to convey that I would resign my ownership and executive positions with Sinclair, for I understood that retaining these positions would not be a bar to a grant of Four Jacks' application.

- 6. I did not at the time I gave my direct case testimony, and I still do not, consider myself an "employee" of Sinclair. I am an owner and executive officer of that company. With respect to my involvement in Sinclair, I have no set hours. I am not obligated to work on any given day. I can work at the office as much or as little as I see fit. The day-to-day operations at Sinclair's stations are generally left to competent general managers and other on-site personnel. In short, I do not consider myself an "employee" of Sinclair -- I am an owner of the company.
- 7. It is true that payments to my brothers and me from our television business generally come through the same payroll system that administers compensation to employees of Sinclair and its subsidiaries. That is simply the mechanism my brothers and I have chosen to receive money from our company. For ease of administration, my brothers and I are enrolled in Sinclair insurance and benefit plans, just as are true employees of the company. Sinclair has W-2 and W-4 tax forms for my brothers and me, because the law requires tax withholding for persons receiving money from the company. None of this, however, alters

the fact that I do not consider myself an "employee" of Sinclair, and that by stating that I would resign my "then-current employment," I did not intend to convey the impression that I would resign my ownership and executive positions with Sinclair.

- 8. In short, it has never been my intention to give up my ownership and executive positions with Sinclair Broadcast Group, There will be no trust arrangement or any mechanism by Inc. which I would retain an "interest" in Sinclair while still effectively "resigning" from the company. It has always been my intention to retain my executive and ownership positions with Sinclair while fulfilling my pledge to work full-time in the management of Four Jacks' proposed Baltimore television station. This intention is reiterated in a Registration Statement and a Prospectus filed with the Securities and Exchange Commission in December 1993. I believe that this intention was made clear in Four Jacks' filings with the FCC throughout the course of this proceeding. I certainly did not intend to mislead anyone into believing I had a different intention.
- 9. Finally, I reaffirm my commitment to work full-time in the management of Four Jacks' proposed Baltimore station in the event Four Jacks' application is granted. It has always been my intention to work a minimum of forty (40) hours per week carrying out my proposed roles as General Manager of Four Jacks' proposed station. As I believe my prior testimony in this case indicates, I have ample flexibility to accommodate my proposed full-time integration with my Sinclair responsibilities.

I	declar	re under	penalty	of	perjury	that	the	foregoing	facts
are tr	ue and	correct	•					1	
Dated:	C,	1/1/94				UM	W	Mul	·
						David	D.	Smith	

#### DECLARATION OF ROBERT E. SMITH

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#### DECLARATION OF ROBERT E. SMITH

- I, Robert E. Smith, hereby declare as follows:
- 1. I am Vice President, Treasurer, a Director, and a 25% shareholder of Four Jacks Broadcasting, Inc. ("Four Jacks"). I am also Vice President, Treasurer, a Director, and a 25% shareholder of Sinclair Broadcast Group, Inc. ("Sinclair"), which through various subsidiaries owns and operates five UHF television stations, one of which is station WBFF(TV), Baltimore, Maryland.
- 2. From the very beginning of this proceeding, I have pledged that, in the event that Four Jacks' application for a new television station on Channel 2 in Baltimore, Maryland is granted, I will work at the Baltimore station on a full-time basis (a minimum of forty (40) hours per week) as Station Manager. That has always been, and remains, my commitment.
- 3. However, at no time has it ever been my intention to resign my ownership and executive positions with Sinclair. In Four Jacks' FCC Form 301 application, in its subsequent Integration and Diversification Statement, and in its prior direct hearing testimony, Four Jacks' principals have proposed to divest, in a manner which will be in compliance with Section 73.3555 of the Commission's Rules and Regulations, all of their interests in and sever all connections with WBFF(TV), Channel 45, Baltimore, Maryland. That divestiture pledge has at all times been limited to WBFF(TV). I have never stated that I would divest my ownership and executive positions in Sinclair as a company, as opposed to merely divesting all my interest in and connection with WBFF(TV). Had I intended to divest my ownership

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and executive positions with Sinclair, I would have so stated, since Sinclair owns other television stations, and thus Four Jacks' comparative posture would have been improved by my so pledging.

4. Moreover, on page 1 of my prior direct case testimony in this proceeding, I acknowledged that I am an officer, director and shareholder of Sinclair, and that Sinclair owns other media interests. After discussing my pledge to divest WBFF(TV) in Baltimore in the event Four Jacks' application is granted, I stated (on page 2) as follows:

Each of the other stations owned (or to be acquired) by SBG has a professional General Manager who is fully responsible for each station's day-to-day operations. Moreover, SBG has a full-time Comptroller who handles SBG's financial and business operations on a daily basis. Thus, notwithstanding SBG's other media interests, I am able and committed to carrying out my pledge to manage, on a full-time basis, a VHF television station in Baltimore, Maryland, the community where I was born and have lived virtually all my life.

Had I intended to give up my ownership and executive positions with Sinclair, I would not have made it a point, as shown above, of describing how I could accommodate my ownership and executive positions with Sinclair with my pledge to manage Four Jacks' proposed station full-time.

5. In my prior direct case testimony, I stated that "[i]n the event of a grant of Four Jacks' application, to fulfill my integration commitment, I will resign from my then-current employment and will limit or terminate any other activities that might interfere with my integration commitment." However inartfully worded, I intended to make clear that I would give up

all responsibilities with respect to WBFF(TV), since I understood that my brothers and I would be required to divest WBFF(TV) before Four Jacks' Channel 2 station could commence program tests. By stating that I would resign my "then-current employment," I did not intend to convey that I would resign my ownership and executive positions with Sinclair, for I understood that retaining these positions would not be a bar to a grant of Four Jacks' application.

- 6. I did not at the time I gave my direct case testimony, and I still do not, consider myself an "employee" of Sinclair. I am an owner and executive officer of that company. With respect to my involvement in Sinclair, I have no set hours. I am not obligated to work on any given day. I can work at the office as much or as little as I see fit. The day-to-day operations at Sinclair's stations are generally left to competent general managers and other on-site personnel. In short, I do not consider myself an "employee" of Sinclair -- I am an owner of the company.
- 7. It is true that payments to my brothers and me from our television business generally come through the same payroll system that administers compensation to employees of Sinclair and its subsidiaries. That is simply the mechanism my brothers and I have chosen to receive money from our company. For ease of administration, my brothers and I are enrolled in Sinclair insurance and benefit plans, just as are true employees of the company. Sinclair has W-2 and W-4 tax forms for my brothers and me, because the law requires tax withholding for persons

receiving money from the company. None of this, however, alters the fact that I do not consider myself an "employee" of Sinclair, and that by stating that I would resign my "then-current employment," I did not intend to convey the impression that I would resign my ownership and executive positions with Sinclair.

- 8. In short, it has never been my intention to give up my ownership and executive positions with Sinclair Broadcast Group, Inc. There will be no trust arrangement or any mechanism by which I would retain an "interest" in Sinclair while still effectively "resigning" from the company. It has always been my intention to retain my executive and ownership positions with Sinclair while fulfilling my pledge to work full-time in the management of Four Jacks' proposed Baltimore television station. This intention is reiterated in a Registration Statement and a Prospectus filed with the Securities and Exchange Commission in December 1993. I believe that this intention was made clear in Four Jacks' filings with the FCC throughout the course of this proceeding. I certainly did not intend to mislead anyone into believing I had a different intention.
- 9. Finally, I reaffirm my commitment to work full-time in the management of Four Jacks' proposed Baltimore station in the event Four Jacks' application is granted. It has always been my intention to work a minimum of forty (40) hours per week carrying out my proposed roles as Station Manager of Four Jacks' proposed station. As I believe my prior testimony in this case indicates, I have ample flexibility to accommodate my proposed full-time integration with my Sinclair responsibilities.

I declare under penalty of perjury that the foregoing facts are true and correct.

Dated:

9/1/94

Robert E. Smith

# DECLARATION OF FREDERICK G. SMITH

Reporter 1	Disposition	Presented by Touch	Fede Docket No.
Me nucly	Received	Jour Jules.	Federal Communications Commission  No. 93 94 Exhibit No. 28

#### DECLARATION OF FREDERICK G. SMITH

- I, Frederick G. Smith, hereby declare as follows:
- 1. I am Vice President, Assistant Treasurer, a Director, and a 25% shareholder of Four Jacks Broadcasting, Inc. ("Four Jacks"). I am also Vice President, Assistant Treasurer, a Director, and a 25% shareholder of Sinclair Broadcast Group, Inc. ("Sinclair"), which through various subsidiaries owns and operates five UHF television stations, one of which is station WBFF(TV), Baltimore, Maryland.
- 2. From the very beginning of this proceeding, I have pledged that, in the event that Four Jacks' application for a new television station on Channel 2 in Baltimore, Maryland is granted, I will work at the Baltimore station on a full-time basis (a minimum of forty (40) hours per week) as Operations Manager. That has always been, and remains, my commitment.
- 3. However, at no time has it ever been my intention to resign my ownership and executive positions with Sinclair. In Four Jacks' FCC Form 301 application, in its subsequent Integration and Diversification Statement, and in its prior direct hearing testimony, Four Jacks' principals have proposed to divest, in a manner which will be in compliance with Section 73.3555 of the Commission's Rules and Regulations, all of their interests in and sever all connections with WBFF(TV), Channel 45, Baltimore, Maryland. That divestiture pledge has at all times been limited to WBFF(TV). I have never stated that I would divest my ownership and executive positions in Sinclair as a company, as opposed to merely divesting all my interest in and connection with WBFF(TV). Had I intended to divest my ownership

and executive positions with Sinclair, I would have so stated, since Sinclair owns other television stations, and thus Four Jacks' comparative posture would have been improved by my so pledging.

4. Moreover, on page 1 of my prior direct case testimony in this proceeding, I acknowledged that I am an officer, director and shareholder of Sinclair, and that Sinclair owns other media interests. After discussing my pledge to divest WBFF(TV) in Baltimore in the event Four Jacks' application is granted, I stated (on page 2) as follows:

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Had I intended to give up my ownership and executive positions with Sinclair, I would not have made it a point, as shown above, of describing how I could accommodate my ownership and executive positions with Sinclair with my pledge to manage Four Jacks' proposed station full-time.

5. In my prior direct case testimony, I stated that "[i]n the event of a grant of Four Jacks' application, to fulfill my integration commitment, I will resign from my then-current employment and will limit or terminate any other activities that might interfere with my integration commitment." However inartfully worded, I intended to make clear that I would give up

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- 6. I did not at the time I gave my direct case testimony, and I still do not, consider myself an "employee" of Sinclair. I am an owner and executive officer of that company. With respect to my involvement in Sinclair, I have no set hours. I am not obligated to work on any given day. I can work at the office as much or as little as I see fit. The day-to-day operations at Sinclair's stations are generally left to competent general managers and other on-site personnel. In short, I do not consider myself an "employee" of Sinclair -- I am an owner of the company.
- 7. It is true that payments to my brothers and me from our television business generally come through the same payroll system that administers compensation to employees of Sinclair and its subsidiaries. That is simply the mechanism my brothers and I have chosen to receive money from our company. For ease of administration, my brothers and I are enrolled in Sinclair insurance and benefit plans, just as are true employees of the company. Sinclair has W-2 and W-4 tax forms for my brothers and me, because the law requires tax withholding for persons

receiving money from the company. None of this, however, alters the fact that I do not consider myself an "employee" of Sinclair, and that by stating that I would resign my "then-current employment," I did not intend to convey the impression that I would resign my ownership and executive positions with Sinclair.

- 8. In short, it has never been my intention to give up my ownership and executive positions with Sinclair Broadcast Group, Inc. There will be no trust arrangement or any mechanism by which I would retain an "interest" in Sinclair while still effectively "resigning" from the company. It has always been my intention to retain my executive and ownership positions with Sinclair while fulfilling my pledge to work full-time in the management of Four Jacks' proposed Baltimore television station. This intention is reiterated in a Registration Statement and a Prospectus filed with the Securities and Exchange Commission in December 1993. I believe that this intention was made clear in Four Jacks' filings with the FCC throughout the course of this proceeding. I certainly did not intend to mislead anyone into believing I had a different intention.
- 9. Finally, I reaffirm my commitment to work full-time in the management of Four Jacks' proposed Baltimore station in the event Four Jacks' application is granted. It has always been my intention to work a minimum of forty (40) hours per week carrying out my proposed roles as Operations Manager of Four Jacks' proposed station. As I believe my prior testimony in this case indicates, I have ample flexibility to accommodate my proposed full-time integration with my Sinclair responsibilities.

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are	true	and	correct						
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